



Report to the Auburn City Council

Action Item

Agenda Item No. **4**City Manager Approval

To: Mayor and City Council Members
From: Bernie Schroeder, Director of Public Works
Megan Siren, Administrative Analyst
Date: October 28, 2013
Subject: Consultant Agreement for Request for Proposals for Operations & Maintenance for the Wastewater Treatment Plant and Sewer Collection System

The Issue

Shall the Council approve a contract with Municipal Consulting Group, LLP for the preparation of the Request for Proposals for operations, maintenance and management of the City's Wastewater Treatment Plant and Sewer Collection System?

Conclusion and Recommendation

Staff recommends that the City Council, by RESOLUTION, authorize the Director of Public Works to execute the consultant agreement with Municipal Consulting Group, LLP for the Request for Proposals process for the operations and maintenance of the Wastewater Treatment Plant and Sewer Collections Systems.

Background

The City last conducted a request for proposals (RFP) for contract operations for the City's Wastewater Treatment Plan (WWTP) and Sewer Collection System was in 1993. The City Council last approved a contract with the City's current provider, CH2M Hill – OMI in May 2012; the current contract expires on July 31, 2014. The City Council expressed a desire for staff to conduct an RFP process at the end of the contract due to the length in time since the last RFP process was conducted. The RFP process will assure that the City is receiving the best value of services while maintaining the City's service reliability and regulatory compliance. In preparation for the RFP, staff included the estimated cost for this work in the FY 13/14 Operating Budget under Sewer Enterprise Capital Projects.

Due to the current contract expiring, staff is preparing to begin the Request for Proposals (RFP) process for the contract operations at the WWTP and Sewer Collection System as directed by the City Council. Because of its specialized nature, staff is recommending that we hire a third party consulting firm to facilitate the preparation and implementation of the RFP process.

Staff solicited and interviewed multiple firms possessing expertise in this type of consulting and has selected Municipal Consulting Group (MCG) as the most qualified and best suited to meet the City's' needs.

The consultant will review the City's current contract and identify other methods of contracts to consider, prepare the RFP and implement the RFP process. Details of the effort are included in the attached Scope of Services provided by MCG.

Alternatives Available to Council; Implications of Alternatives

1. Proceed with Staff Recommendation
2. Do not proceed with staff recommendation, but provide direction to staff regarding contract expiring.

Fiscal Impact

The professional services agreement totals \$49,000 which was included in the preparation of the 2013/14 City of Auburn Operating Budget. The Sewer Enterprise Fund includes adequate funding in a project fund to cover the professional service agreement.

Attachments: Professional Services Agreement with MCG
Resolution

PROFESSIONAL SERVICES AGREEMENT
(City of Auburn / Municipal Consulting Group)

1. IDENTIFICATION

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into by and between the City of Auburn a California municipal corporation ("City") and *Municipal Consulting Group, LLP* a *California, Limited Liability Partnership* ("Consultant").

2. RECITALS

- 2.1 City has determined that it requires the following professional services from a consultant: Wastewater Treatment Plant Operations Request for Proposal for Operations.
- 2.2 Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

3. DEFINITIONS

- 3.1 "Scope of Services": Such professional services as are set forth in Consultant's September 30, 2013 proposal to City attached hereto as Exhibit A and incorporated herein by this reference.
- 3.2 "Approved Fee Schedule": Such compensation rates as are set forth in Consultant's September 30, 2013 fee schedule to City attached hereto as Exhibit B and incorporated herein by this reference.
- 3.3 "Commencement Date": October 29, 2013.
- 3.4 "Expiration Date": October 31, 2014.

4. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Expiration Date unless extended by written agreement of the parties or terminated earlier in accordance with Section 18 ("Termination") below.

5. CONSULTANT'S SERVICES

- 5.1 Consultant shall perform the services identified in the Scope of Services. City

shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sum of \$49,000.00 unless specifically approved in advance and in writing by City.

- 5.2 Consultant shall obtain a City business license prior to commencing performance under this Agreement.
- 5.3 Consultant shall perform all work to the highest professional standards of Consultant's profession and in a manner reasonably satisfactory to City. Consultant shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of the Agreement, including all Cal/OSHA requirements, the conflict of interest provisions of Government Code Section 1090, and the Political Reform Act (Government Code Section 81000 *et seq.*).
- 5.4 During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute and (ii) City has not consented in writing to Consultant's performance of such work.
- 5.5 Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. **Kenneth Payne** shall be Consultant's project administrator and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project administrator without City's prior written consent.
- 5.6 Consultant has represented to the City that key personnel will perform and coordinate the services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. If City and Consultant cannot agree as to the substitution of key personnel, City may terminate this Agreement for cause.
- 5.7 Consultant shall not be reimbursed for any expenses unless provided for in this Agreement or authorized in writing by City in advance.

6. COMPENSATION

- 6.1 City agrees to compensate Consultant for the services provided under this

Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule.

- 6.2 Consultant shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. City shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.
- 6.3 Payments for any services requested by City and not included in the Scope of Services shall be made to Consultant by City on a time-and-materials basis using Consultant's standard fee schedule. Consultant shall be entitled to increase the fees in this fee schedule at such time as it increases its fees for its clients generally; provided, however, in no event shall Consultant be entitled to increase fees for services rendered before the thirtieth day after Consultant notifies City in writing of an increase in that fee schedule.

7. PREVAILING WAGES

Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Consultant shall defend, indemnify, and hold the City, its elected officials, officers, employees, and agents free and harmless from any claim or liability arising out of any failure or alleged failure of Consultant to comply with the Prevailing Wage Laws.

8. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products" herein) developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

9. RELATIONSHIP OF PARTIES

Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of City.

Under no circumstances shall Consultant look to the City as his employer. Consultant shall not be entitled to any benefits. City makes no representation as to the effect of this independent contractor relationship on Consultant's previously earned PERS retirement benefits,

Page 3 of 12

and Consultant specifically assumes the responsibility for making such a determination. Consultant shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation.

10. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data shall be returned to City upon the termination or expiration of this Agreement.

11. INDEMNIFICATION

11.1 The parties agree that City, its officers, agents, employees and volunteers should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, taxes, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the City with the fullest protection possible under the law. Consultant acknowledges that City would not enter into this Agreement in the absence of Consultant's commitment to indemnify and protect City as set forth herein.

11.2 To the fullest extent permitted by law, Consultant shall indemnify, hold harmless, and when the City requests with respect to a claim provide a deposit for the defense of, and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person, whether physical, emotional, consequential or otherwise, and injury to any property arising out of or in connection with Consultant's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents, or subcontractors, or anyone directly or indirectly employed by either Consultant or its subcontractors, in the performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage as is caused by the sole active negligence or willful misconduct of the City. Such costs and expenses shall include reasonable attorneys' fees due to counsel of City's choice, expert fees and all other costs and fees of litigation. Consultant shall not be entitled to any refund of attorneys' fees, defense costs or expenses in the event that it is adjudicated to have been non-negligent.

11.3 City shall have the right to offset against any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant's failure to pay City promptly any indemnification arising under this Section 11 and

any amount due City from Consultant arising from Consultant's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

- 11.4 The obligations of Consultant under this Section 11 are not limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.
- 11.5 Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 11 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subcontractors or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice.
- 11.6 City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

12. INSURANCE

- 12.1 During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:
- 12.1.1 Comprehensive General Liability Insurance with coverage limits of not less than One Million Dollars (\$1,000,000) including products and operations hazard, contractual insurance, broad form property damage, independent consultants, personal injury, underground hazard, and explosion and collapse hazard where applicable.

- 12.1.2 Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per claimant and One Million dollars (\$1,000,000) per incident.
- 12.1.3 Worker's Compensation insurance as required by the laws of the State of California.
- 12.1.4 Professional Errors and Omissions Insurance with coverage limits of not less than One Million Dollars (\$1,000,000).
- 12.2 Consultant shall require each of its subcontractors to maintain insurance coverage that meets all of the requirements of this Agreement.
- 12.3 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.
- 12.4 Consultant agrees that if it does not keep the aforesaid insurance in full force and effect, City may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay the premium thereon at Consultant's expense.
- 12.5 At all times during the term of this Agreement, Consultant shall maintain on file with City's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the City and its officers, employees, agents and volunteers as additional insureds. Consultant shall, prior to commencement of work under this Agreement, file with City's Risk Manager such certificate(s).
- 12.6 Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.
- 12.7 The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City and its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.
- 12.8 The insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers,

employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

- 12.9 All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.
- 12.10 Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond in the amount of the deductible or self-insured retention to guarantee payment of losses and expenses.
- 12.11 Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 11 of this Agreement.
- 12.2 Consultant shall report to the City, in addition to the Consultant's insurer, any and all insurance claims submitted to Consultant's insurer in connection with the services under the Agreement.

13. MUTUAL COOPERATION

- 13.1 City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.
- 13.2 If any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require in the defense of that claim or action.

14. RECORDS AND INSPECTIONS

Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during normal business hours. City shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

15. PERMITS AND APPROVALS

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary for Consultant's performance of this Agreement. This includes, but shall not be limited to, professional licenses, encroachment permits and building and safety permits and inspections.

16. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City

City of Auburn
1225 Lincoln Way
Auburn CA 95603
Telephone: (530) 823-4211 x144
Facsimile: (530) 823-4216

If to Consultant:

Municipal Consulting Group, LLP.
Attention: Kenneth Payne
431 I Street, Suite 202
Sacramento, CA 95814
Telephone: (916) 425-0734
kpayne@municipalcon.com

With courtesy copy to:

Michael G. Colantuono, Esq.
Auburn City Attorney
Colantuono & Levin, P.C.
11364 Pleasant Valley Road
Penn Valley, CA 95946
Telephone: (530) 432-7357
Facsimile: (530) 432-7356

17. SURVIVING COVENANTS

The parties agree that the covenants contained in Section 10, Section 11, Paragraph 13.2 and Section 14 of this Agreement shall survive the expiration or termination of this Agreement.

18. TERMINATION

18.1 City may terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant may terminate this Agreement for any reason on thirty calendar days' written notice to City. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

18.2 If City terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full

performance of the services required by this Agreement.

19. GENERAL PROVISIONS

- 19.1 Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subcontractor to file, a Statement of Economic Interest with the City's Filing Officer if required under state law in the performance of the services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.
- 19.2 Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Consultant.
- 19.3 This Agreement shall be binding on the successors and assigns of the parties.
- 19.4 Except as expressly stated herein, there is no intended third party beneficiary of any right or obligation assumed by the parties.
- 19.5 Time is of the essence for each and every provision of this Agreement.
- 19.6 In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability, medical condition or any other unlawful basis.
- 19.7 The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

- 19.8 The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing signed by one authorized to bind the party asserted to have consented to the waiver.
- 19.9 Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.
- 19.10 Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies. If legal action shall be necessary to enforce any term, covenant or condition herein contained, the party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be Placer County, California and Consultant hereby consents to jurisdiction in Placer County for purposes of resolving any dispute or enforcing any obligation arising under this Agreement.
- 19.11 If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
- 19.12 This Agreement shall be governed and construed in accordance with the laws of the State of California.
- 19.13 All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written

agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Consultant.

- 19.14 Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such documents shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of City. In addition, pursuant to Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars, all such documents and this Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of City, for a period of three (3) years after final payment under the Agreement.

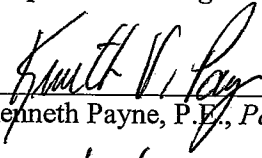
TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

"City"
City of Auburn

By: _____

Date: _____

"Consultant"
Municipal Consulting Group

By: 
Kenneth Payne, P.E., Partner

Date: 10/09/13

By: 
Derrick Whitehead, P.E., Partner

Date: 10/09/13

Attest:

By: _____
Deputy City Clerk

Date: _____

Approved as to form:

By: _____
Michael G. Colantuono, City Attorney

Date: _____

EXHIBIT A

SCOPE OF SERVICES



SCOPE OF WORK

Based on discussions with the City of Auburn Public Works Department, the Municipal Consulting Group, LLP (MCG) has prepared this scope of work to meet the operation and maintenance needs for the City's wastewater treatment and collection system as follows:

- Review the existing operations and maintenance contract (O&M Contract) for the City's wastewater treatment and collection systems that are currently being performed under contract between the City and Operations Management International (OMI), a subsidiary of CH2M Hill;

- Provide an cursory assessment of the wastewater operations for potential improvements and from that assessment define performance measurements or benchmarks for the proposed O&M Contract;

- Prepare an administrative draft and a final draft of an O&M Contract for the operation and maintenance of the City's wastewater treatment and collection system;

- Prepare a Request for Proposal/Bids (RFP/B) package for the O&M Contract service; and,

- Provide implementation and project management support to the Public Works Department during the pre-proposal/bids and proposal/bid stages.

MCG recognizes that selection of an O&M services contractor must be undertaken in a process that assures City's customers receive the best value and economic benefits while maintaining the City's excellent record of service reliability and regulatory compliance.

Background

The City of Auburn owns its own wastewater treatment and collection system, which serves the municipal boundaries of the city. Operations Management International (OMI) is currently contracted to perform operations and maintenance of the City's wastewater treatment plant and collection system. The City's wastewater treatment plant is located west of the city in the Ophir area and is permitted to discharge its treated effluent into Auburn Ravine Creek up to a maximum flow of 1.65 million gallons per day. The effluent is treated to what is commonly referred to as tertiary treatment, which is the highest level of treatment required by the State of California. The City also maintains over 85 miles of wastewater collection lines, 11 sewer lift stations and over 1,850 manholes.

Task 1 Project Management & Meetings

Description: This Task includes the submittal of a work plan after the kickoff meeting, monthly progress reporting with invoicing, scheduling, office administration and general correspondence. MCG has budgeted time to maintain contact with the City's Public Works Department to incorporate decisions, findings and suggestions regarding this assignment. The following meetings are assumed under Task 1, and does not reflect incidental discussions with the City, which are included in the MCG scope of work:

September 30, 2013

1



- 1) Project Kick-Off Meeting 1
- 2) Support City Staff in developing a formal recommendation to the City Council on the Final Draft O&M Contract 1

Deliverables: Monthly Progress Summaries and invoices; draft staff report for Public Works and draft PowerPoint presentations for Public Works to use in City Council meetings.

Task 2 Data Collection & Review

Description: MCG understands the value for remaining efficient in our effort to support the City. This task includes a tour of the City wastewater facilities that will allow MCG to assess the previous performance and conditions of the facilities as a means for potentially developing performance measures, incentives and benchmarks within the proposed O&M Contract. This site tour will be conducted in parallel to collection and review of key documents/information the City is using for its current O&M contract that include:

1. OMI Contract (Current Operator)
 - a. 2009 OMI Contract and Amendment No. 1
 - b. Amendments to the OMI contract
2. City's Professional Service Agreement(s)
3. Identify other jurisdictions using contract operations and identify terms of their operating contracts that could be considered by the City in a new operating contract.

Other documents, such as standard operational procedures, compliance orders, state and local permits and other related documents will also be reviewed.

Deliverables: List of data collected, sources and documented verbal conversations will be included in the Monthly Progress Summaries, a list of contract options from other operating contracts that would be beneficial to the City in a new operating contract. Meeting agendas and single-page meeting summaries will be provided.

Task 3 Administrative Draft O&M Contract and Request for Proposals/Bids

Description: Subsequent to completion of Task 2, MCG will develop a written description of wastewater operations and maintenance requirements to be used in developing the O&M Contract and RFP/B documents. Upon submittal of the administrative draft of the O&M Contract and RFP/B documents, the City staff, (Public Works Department and City Attorney office) will review and provide comments to MCG. MCG will consider provisions to minimize risks to the City such as a clear definition of work, "off-ramps" for non-performance; performance measures and benchmarks and other related provisions.



MCG request that the Public Works Department verify with the City Attorney on the use of the existing O&M Contract with OMI as a start-up template for developing the new contract and RFP/B documents.

Deliverables: A generalized description of the wastewater operations and maintenance requirements; an administrative draft of the O&M Contract; and a draft version of the RFP/Q for review and comment by the Public Works Department and City Attorney's office.

Task 4 Final Draft O&M Contract and Final RFP/B

Description: MCG will prepare a final draft of the O&M Contract to be used in the RFP/B process, and will prepare a final version of the RFP/B documents to be used by the City to solicit O&M contractors. MCG will support the Public Works Department in the preparation of the draft staff report and presentation to the City Council. The following meetings are assumed under Task 4:

- 1) City Council Presentation of Final Draft O&M Contract 1

Deliverable: A final draft O&M Contract and a final version of the RFP/B documents.

Task 5 Implementation

Description: Upon approval by the City Council and direction by the Public Works Department, MCG will begin the process to coordinate and facilitate the RFP/B process on behalf of City's staff. MCG will be responsible for the coordinating and facilitating the release and notification to bidders for the proposed O&M Contract, and the City will be responsible for directly processing the payments for the advertising. MCG will facilitate and coordinate with the City on the proposal/bid opening; review of the proposal/bids; and will prepare a memorandum of recommendation on the proposed O&M contractor. Additionally, a draft staff report for the recommended O&M contractor will be prepared for the Public Works Department.

It is anticipated that the Final O&M Contract will be developed after the request for clarifications and other bid-related provisions are reviewed with the City Attorney. The following meetings are assumed under Task 5:

- 1) City Council Presentation of Recommended Contractors for the O&M Contract 1

Deliverable: Documentation of the RFP/B correspondence, summaries of Requests for Clarifications by potential bidders/contractors; evaluation of proposals/bids; a memorandum of recommendations on the proposed O&M contractor; and a draft staff report recommending the O&M Contractor to the Public Works Department to use.

MCG will provide an electronic copy (MS Word and PDF formats) of the final O&M Contract.



Project Team

Ken Payne will serve as primary contact with the City and will be supported by Derrick Whitehead, partner with MCG.

Kenneth Payne, PE (MCG) — Ken will serve as the Project Manager for this assignment. He has 28 years of experience, including ten years as Utilities Director with the City of Folsom, where he streamlined and improved infrastructure and operations and maintenance efficiencies while still complying with permits and codes, and maintaining or reducing rates.

As a consultant, he brings significant experience in organizational management including facilitation in organizational strategies and leadership, including integration of workforces and necessary cross training. Ken's experience also includes technical, policy, and institutional aspects of regional mergers or annexations, including topics such as water resources, tax sharing, service negotiations and related inter-agency agreements.

He developed the City of Folsom's strategy for annexing 3,500 acres, which resulted in minimal opposition due to proactive collaboration with regional environmental groups, businesses and adjacent agencies.

Derrick Whitehead, PE (MCG) — Derrick will work with Ken on various aspects of this assignment including operational reviews and provide QA/QC for deliverables to the City. Derrick is an experienced local government professional with a combination of technical expertise, municipal administrative understanding, and outstanding leadership and personnel management skills.

Derrick has a history of developing constructive working relationships throughout an organization and had coordinated the formation of the South Placer Wastewater Authority, partnered in the development of the original Integrated Regional Water Management Plan for the Sacramento region, and managed and implemented 2X2 Ad Hoc Water Management Committee for Roseville's Aquifer Storage and Recovery program. Derrick's experience also includes budgetary development and administration; strategic planning; policy/procedure development and implementation; labor relations; and customer-friendly public and community outreach/messaging.



Project Schedule

The following schedule depicts major tasks, anticipated durations of activities and key milestones for the proposed scope of work. Revisions are subject to discussion and scoping:

- Task 1: Project Management - On going
 - Kick Off Meeting in Early October 2013
 - Monthly Progress/Budget/Schedule Check Points
 - Council Meetings in January and March 2014
- Task 2: Data Collection and Review - Through December 2013
 - Data Collection and Review
 - Monthly Progress/Data Review with Staff
- Task 3: Administrative Draft O&M Contract and Draft RFP / RFB - Through February 2014
 - Prepare Administrative Draft Operations and Maintenance Contract
 - Prepare Draft Request for Proposal / Request for Bids
 - Monthly Progress/Review Draft Documents with Staff
- Task 4: Final Draft O&M Contract and Draft RFP / RFB - Through May 2014
 - Prepare Final Draft Operations and Maintenance Contract
 - Prepare Final Request for Proposal / Request for Bids
 - Monthly Progress/Review Final Draft Documents with Staff
- Task 5: Implementation of the Agreement
 - Assist City Staff publish the RFP / RFB
 - Review and Recommend Operation Contractors for Interview to the City
 - Assist City through the Interview Process
 - Assist City during Contract Negotiations as needed
 - Provide Staff support during the development of the final recommendation to the City Council.

EXHIBIT B

FEE SCHEDULE



Cost Estimate

For the purposes of establishing a "not-to-exceed" budget, MCG has estimated the number of hours per Task for the proposed scope of work as follows. MCG will perform the work on a time and materials basis, not to exceed \$49,000. Both MCG partners have a charge rate of \$200 per hour, which will remain in effect for the original scope of this contract, unless mutually agreed by both MCG and the City. Monthly progress charges will be based on the effort completed for each task listed in the following table.

TASK	K. Payne Hours	D. Whitehead Hours	OTHER DIRECT COSTS	LUMP SUM FEE PER TASK
Task 1 Project Management	17	17	\$150	6,950
Task 2 Meetings and Data Collection	16	12	\$250	5,850
Task 3 Analysis Description	50	16	\$200	13,400
Task 4 Alternative Analysis	20	12	\$200	6,600
Task 5 Report Preparation	42	38	\$200	16,200
TOTAL ESTIMATED HOURS & COSTS	146	94	\$1,000	\$49,000
ESTIMATED COSTS / TASK	\$29,000	\$19,000	\$1,000	\$ 49,000

RESOLUTION NO. 13-

RESOLUTION AUTHORIZING THE CONSULTANT AGREEMENT WITH MUNICIPAL
CONSULTING GROUP, LLP FOR REQUEST FOR PROPOSALS FOR THE
WASTEWATER TREATMENT PLANT OPERATIONS

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

That the City Council of the City of Auburn does hereby authorize the
Director of Public Works to execute a consultant contract with Municipal
Consulting Group, LLP. for the Request for Proposals process for the operations
and maintenance of the Wastewater Treatment Plant and Sewer Collections
System.

A true and correct copy of said Consultant Agreement is attached hereto as
Exhibit "A."

DATED: October 28, 2013

Kevin Hanley, Mayor

ATTEST:

Stephanie L. Snyder, City Clerk

I, Stephanie L. Snyder, City Clerk of the City of Auburn, hereby certify
that the foregoing resolution was duly passed at a regular session meeting of
the City Council of the City of Auburn held on the 28th day of October 2013 by
the following vote on roll call:

Ayes:

Noes:

Absent:

Stephanie L. Snyder, City Clerk

(Page intentionally blank)